



February 18, 2015

Dear Governor Haley,

I am thrilled that I was able to attend your Inaugural activities last month and spend time in your great state. *It was fun watching you and Mike take the first dance.* Under your great leadership, the Palmetto State is laying the foundation for economic growth through a vibrant solar market. By becoming the 44th state to institute net metering by passing Act 236, South Carolina is in perfect position to transition to a cleaner and competitive energy market, and I fully support your efforts.

However, I was disappointed to read press accounts about South Carolina Electric & Gas's (SCE&G) latest solar proposal, which would reverse the exemplary progress your state has made. SCE&G's "buy-all-sell-all" proposal, also known as a Feed-In-Tariff, will subject your constituents that choose to adopt rooftop solar to increased taxes.

SCE&G's proposal moves the debate backwards and is in opposition from SCE&G's earlier position supporting net metering as recently as December. Their current flawed proposal will:

- **Impose New Taxes** – homeowners who invest in rooftop solar would be burdened with increased taxes from the forced sale of energy their system produces to SCE&G. Consumers would not face these taxes if SCE&G moved forward with net metering as the legislature intended.
- **Restrict Consumer Choice** – consumers cannot use the energy their own home system produces. Rather, in an assault on property rights, SCE&G would force its customers to sell all of the energy generated on their own roofs to the utility and then force the consumer to buy any power they need for their own use from the utility.

The SCE&G proposal also requires solar customers to give up thousands of dollars of utility incentives if they use the energy that they generate under a net metering system. By contrast, Duke Energy's proposal does not. SCE&G will only provide its customers with the targeted incentives if the customer agrees to continue purchasing all of their power from SCE&G at its ever-increasing rates. And according to *The State*, SCE&G has increased rates seven times over the past five years alone.

SCE&G's latest proposal will create market instability, contradictory to what the legislation you signed into effect last year intended. I urge you to evaluate this proposal and support a fair net metering policy, which will not raise these issues of increased taxes and limited competition.

The best always

*Barry Goldwater Jr.
Chairman, TUSK*